



**SCOTTSDALE AIRPORT ADVISORY COMMISSION  
PUBLIC MEETING  
Scottsdale Airport Terminal Lobby  
15000 N. Airport Drive, Scottsdale, AZ**

**August 13, 2014**

**MINUTES**

**PRESENT:** Steve Ziomek, Chairman  
Ken Casey, Vice Chairman (telephonic)  
William Bergdoll  
John Celigoy  
Michael Goode (telephonic)  
Bob Hobbi  
William Schuckert

**STAFF:** Sarah Ferrara, Aviation Planning & Outreach Coordinator  
Shannon Johnson, Management Analyst  
Gary Mascaro, Aviation Director  
Chris Read, Airport Operations Manager

**GUESTS:** Mark Seller  
Gary Wright  
Matthew Wright

**CALL TO ORDER**

Chairman Ziomek called the meeting to order at 6:02 p.m.

**ROLL CALL**

A formal roll call confirmed the presence of Commissioners as noted above. Chairman Ziomek welcomed Commissioner Celigoy to the Commission. Commissioner Celigoy introduced himself. He is currently Aerospace Marketing Director at Honeywell and is a retired Marine aviator. He volunteers with the Sheriff's Office as a helicopter pilot.

## **PLEDGE OF ALLEGIANCE**

Chairman Ziomek led the meeting in the pledge of allegiance.

## **AVIATION DIRECTOR'S REPORT**

Mr. Gary Mascaro, Aviation Director, welcomed Commissioner Celigoy.

## **APPROVAL OF MINUTES**

### **1. Approval of Minutes**

Regular Meeting: June 11, 2014

Commissioner Bergdoll made a motion to approve the minutes of the June 11, 2014 regular meeting as amended. Commissioner Celigoy seconded the motion, which carried by a vote of seven (7) to zero (0).

## **PUBLIC COMMENT**

No members of the public wished to address the Commission.

## **REGULAR AGENDA            ITEMS 1 - 12**

1. Discussion and Possible Action regarding Application for Airport Aeronautical Business for Empire Aviation, LLC to conduct Aircraft Sales Services

Management Analyst Ms. Shannon Johnson reported that Empire Aviation, LLC is seeking ratification of their Airport aeronautical business permit to conduct aircraft sales. She noted that Mr. Gary Wright was in attendance.

At the invitation of Chairman Ziomek, Mr. Gary Wright described his background in aircraft sales.

Commissioner Schuckert made a motion to approve the Airport aeronautical business permit for Empire Aviation, LLC to conduct aircraft sales services. Commissioner Bergdoll seconded the motion, which carried by a vote of seven (7) to zero (0).

2. Discussion and Possible Action regarding Application for Airport Aeronautical Business for John Hopkinson and Associates to conduct Aircraft Sales Services

Ms. Johnson reported that John Hopkinson and Associates is seeking ratification of their Airport aeronautical business permit to conduct aircraft sales. She noted that Mr. Mark Seller was in attendance.

At the invitation of Chairman Ziomek, Mr. Seller described the company.

Commissioner Schuckert made a motion to approve the Airport aeronautical business permit for John Hopkinson and Associates to conduct aircraft sales services. Commissioner Bergdoll seconded the motion, which carried by a vote of seven (7) to zero (0).

3. Discussion and Possible Action to Recommend Adoption of Resolution No. 9840, Authorizing Lease Amendment 2011-121-COS-A1 with Ciao Baby Catering, LLC, dba Zulu Caffé to Modify the Hours of Operation to Accommodate Current Public Demand

Ms. Johnson explained that Zulu Caffé is seeking a recommendation from the Commission to City Council to approve an amendment to their lease agreement. This would change the required hours of service from Monday through Friday from 9:00 a.m. to 2:00 p.m. while giving the City the right to require them to extend their hours of operation if necessary to meet public demand, and to allow the City to approve closures for renovations. The restaurant is currently open from 11:00 a.m. to 2:00 p.m. on weekdays and closed on weekends. However when they originally signed the lease the requirement was from 7:00 a.m. to 6:00 p.m. on weekdays, 7:00 to noon on Saturdays and 10:00 to 2:00 on Sundays.

Chairman Ziomek asked how public demand would be determined. Ms. Johnson said if people are asking for the restaurant to be open on the weekends they would require them to be open. Commissioner Schuckert believed there is demand and this should be investigated more rigorously. Chairman Ziomek concurred.

Commissioner Hobbi asked if the lease amendment would change the financial arrangements. Ms. Johnson said this only changes section 5.17 of the lease, dealing with hours of operation.

Mr. Mascaro said the restaurant operators are the experts on restaurant operation. This request came from them based on their opinion of demand. They told him that they have attempted to stay open on weekends. During the RFP process potential operators were asked what hours they planned to operate and that information was incorporated into the original lease. The restaurant operators found the original hours of operation were not viable. He suggested since no one from Zulu Caffé was in attendance that the Commission not take action at the current meeting. However should the Commission make the requested recommendation, Mr. Mascaro said in the meantime he would require the restaurant to operate the hours set out in the current lease, as currently they are technically in violation of their lease, although he cannot force a business to stay open for longer hours if it is not economically feasible.

Commissioner Hobbi suggested not taking action until the Commission can discuss this with a representative from Zulu Caffé. He felt the proposed hours are too short.

Chairman Ziomek noted that the proposal will mean cutting hours and not providing weekend service during the upcoming high season.

Mr. Mascaro said the restaurant operators have told him that if the demand was there, they would be open. Dodge City Community College has already had conversations with the restaurant because they plan on having students at the Airport on weekday evenings when they open for operations in late August. The students will receive food vouchers. This will mean that

public demand for dinnertime service will be assured and the City would therefore insist that the restaurant open for weekday dinners.

Chairman Ziomek asked if not taking action tonight would cause any difficulty to Mr. Mascaro. Mr. Mascaro replied that he would have to seek legal advice to answer that. In reply to a question from Commissioner Bergdoll, Mr. Mascaro said the proposed amendment would not affect the catering business. The restaurant wants to build up the weekday breakfast business. The restaurant operators had said weekends were not busy enough to be profitable.

Commissioner Goode asked if the restaurant is in danger of going out of business. Mr. Mascaro confirmed that it is. They hope that the aircraft catering business will pick up. If it does, the restaurant could be open for longer hours since the staff would already be working. He added that the reports he receives are gross sales only. Commissioner Goode said they need to work with the restaurant. Forcing them to do something that is a losing proposition is not a good strategy.

Commissioner Schuckert said he could not see a methodology to be able to document demand. He felt the Commission did not have enough information to make a decision.

Commissioner Schuckert made a motion to continue the item to the next meeting. He encouraged Mr. Mascaro not to enforce the hours set out in the existing lease in the meantime. Commissioner Goode seconded the motion.

Vice Chairman Casey reminded the Commission that the Airport restaurant has had difficulty over the past 15 years with a number of operators who have left. He said if it would be profitable to be open on the weekend the Commission would not need to tell the restaurant to open. There are many other eateries now open in the neighborhood. He was nervous that if the restaurant were ordered to be open during unprofitable hours it would close and the premises would again sit unoccupied for years.

Commissioner Hobbi agreed they cannot tell the operators how to run their business. On the other hand the restaurant reflects on the Airport. It is a matter of principle that the Commission should be able to understand how the operations are going and if there is anything the Airport and the Commission can do to help it be successful. This is why it is important for the operators to appear before the Commission.

Commissioner Schuckert pointed out that in fact the requested lease amendment would reduce the hours required in the lease. The hours were in the RFP and the restaurant operators had agreed to those hours when they signed the lease. However he agreed that the hours required in the lease are not feasible.

Chairman Ziomek said the Commission cannot dictate the restaurant hours, although the operators did sign the lease. He said it is important for the operators to appear before the Commission to answer questions and share how the business is doing, as he had heard different reports directly from the operators. He called for the vote.

The motion passed by a vote of six (6) to one (1). Vice Chairman Casey dissented.

4. Discussion and Possible Action Regarding Approving a Change to Airport Rules and Regulations, Section 4-6, Authority to Remove Vehicles

Airport Operations Manager Mr. Chris Read explained that staff is seeking this modification because City Code normally requires six days before a vehicle can be towed from the right of way or City parking areas. The proposed amendment would allow immediate towing if a vehicle is a health, safety or environmental hazard or a nuisance to the public. The Police Department has the City towing contract.

Commissioner Bergdoll made a motion to recommend approval of the proposed change to the Airport rules and regulations section 4-6. Commissioner Hobbi seconded the motion, which carried by a vote of seven (7) to zero (0).

5. Discussion and Input Regarding Adopting Ordinance No. 4166, Changes to Chapter 17, Motor Vehicles and Traffic, of the Scottsdale Revised Code to Expand Authority for the Aviation Director to Tow Vehicles Parked at the Airport

Mr. Read explained that these changes relate to stored and abandoned vehicles. Staff wants the ability to tow vehicles that might be occupying spaces that are critical to tenants' business needs. The proposed change would allow such vehicles to be towed after just three days.

Chairman Ziomek asked if three days was long enough. Mr. Read said the parking has never reached capacity.

6. Discussion and Input Regarding the Construction Project at Landmark Aviation

Mr. Matthew Wright, General Manager of Landmark Aviation, thanked the Commission for recommending approval of the permits for Empire Aviation and John Hopkinson and Associates, noting the economic impact of these new businesses. He gave a PowerPoint presentation on the construction project, acknowledging the vision and helpful attitude of Mr. Mascaro and Airport staff. Currently Landmark is operating out of temporary facilities. The permits have just been issued and demolition has begun. They are scheduled for completion in mid-December.

7. Discussion and Input Regarding Quarterly Noise Complaint Summary

Planning and Outreach Coordinator Ms. Sarah Ferrara reported on the noise complaints received from April through June. She noted that the majority of complaints were lodged by just four individuals. She explained the voluntary curfew letter process. Staff is working with a new complainant who appears to be reporting Sky Harbor traffic.

Commissioner Celigoy asked if the complaints distinguish between fixed wing and rotary wing craft. Ms. Ferrara they do not, and this information is not always relayed in the noise complaints. Commissioner Celigoy suggested reminding the Scottsdale Police Department and the Maricopa County Sheriff's Office about the voluntary curfew with regard to helicopter traffic.

Noting that the most prolific resident had placed 227 complaints during the period, Commissioner Hobbi asked whether anyone is trying to build a case for legal action. Ms. Ferrara said she is not aware of any action in that neighborhood. She agreed that occasionally people who phone in complaints mention taking it to the next level.

8. Discussion and Input Regarding Monthly Operations Report for June and July 2014

Mr. Read reviewed the report in detail for the benefit of Commissioner Celigoy, explaining the definitions used.

Mr. Mascaro said staff has conducted surveys regarding the Customs hours of operation. The results of the SurveyMonkey online survey were that from a total of 164 respondents, 60% wanted to keep the current operating hours of 9:00 a.m. to 7:00 p.m. The other 40% preferred 8:00 a.m. to 6:00 p.m. Staff conducted a more informal interview survey of pilots of all flights that used the Customs service since the beginning of April. A total of 69 pilots were surveyed. Of them, 41 pilots wanted to keep the existing hours and 28 wanted to change the hours. Accordingly they plan to retain the current hours.

Mr. Mascaro announced that he has confirmed with the Port Director that there is no requirement to mark a small area of the terminal ramp for Customs clearance. They have agreed that the entire terminal apron in front of the building may be used for clearing Customs. He noted that with the upcoming busy season this will be helpful.

Commissioner Goode said he would like to analyze the Customs Service data after a full year of seven-day service and consider whether it would be possible to reduce the fees. He opined that this service should break even and not be a source of revenue. Mr. Mascaro said the Scottsdale fees are neither the highest nor the lowest. Commissioner Goode said the fees at Denver are about half of the Scottsdale rates. It appears that they may break even next year, which is sooner than originally forecast.

Vice Chairman Casey commended staff for having conducted the surveys.

9. Discussion and Input Regarding Monthly Financial Reports for May and June 2014

Ms. Johnson reviewed the financial reports. Fuel flowage in May was up 3.9% compared to May 2013.

For June, which was the end of the fiscal year, revenue was about 13% above the projected figure, while expenses for the year were about 10% lower than forecast. She cautioned that the June figures are preliminary at this stage. The Aviation Fund cash balance was at \$10.33 million on June 30. Fuel flowage was up about 12.3% in June compared to the prior year. For the whole fiscal year fuel flowage was up about 9.5% compared to FY 2012/2013.

Ms. Johnson elaborated that at the end of the fiscal year, Financial Services has to go through extra steps so it takes longer to get the final numbers for June.

Mr. Mascaro said that significant amounts of fuel are pumped at the Airport. Scottsdale pumps more fuel than all other Valley airports combined with the exception of Sky Harbor and Williams Gateway.

#### **10. Information and Input Regarding Public Outreach Programs and Planning Projects**

Ms. Ferrara said they have their booth assignment for the next NBAA convention in October. The theme will be Super Season 2015 – We're Ready! She screened a brief video of the ways the Airport is branding the next season.

Commissioner Goode noted that the Phoenix Open is now scheduled to end on Super Bowl Sunday.

Mayor Lane declared July as Aviation Appreciation Month.

Staff has been working with the FAA on some longstanding issues related to the Airport Master Plan. The next element will be alternatives and staff is planning a public workshop in early October. The environmental assessment for the runway is officially completed. However it will be further evaluated during the Master Plan process.

In June and July six projects within the Airport influence area were listed in the planning and zoning reports.

Ms. Ferrara said in her two years in her position she has yet to issue a stage 2 complaint and suggested removing this from her standard report. Vice Chairman Casey confirmed that the stage 2 aircraft will be grounded effective December 31, 2015. Chairman Ziomek noted only one stage 2 craft is currently based at Scottsdale.

She sent out 21 voluntary curfew letters in June and July.

Mr. Mascaro elaborated that the environmental assessment documents are ready to be submitted to the FAA, however staff is in discussions with the FAA about the overall master plan. The FAA has suggested wrapping up the evaluation process for the 100,000 pound plan weight before submitting the EA for approval. Staff hopes that the Planning Advisory Committee can review the alternatives in early October. The purpose of the environmental document was to evaluate whether the 100,000 pound weight limit could be permanent, based on any environmental impacts. Normally the EA would be submitted to the FAA for evaluation and the FAA would issue a document of approval or disapproval. However in this case the FAA has told the Airport not to submit the EA until they have evaluated alternative airport designs to accommodate larger aircraft. This should be finished by the end of September. The increased weight limit is not the only issue in the master planning process. Other issues include safety areas, wingspans, and runway taxiway separations for larger aircraft. This is what is causing the delay.

Commissioner Goode commented that the process has taken longer than one would expect. Mr. Mascaro said there were more safety issues than anyone had anticipated and they have been working actively behind the scenes with the FAA. He hopes that the process will be

completed by the beginning of next year. They have to finalize the Master Plan, get Council approval and submit the Airport layout plan.

**11. Discussion and Input Regarding Status of Aviation Items to City Council**

Mr. Mascaro said the recommended update on the motor vehicle traffic ordinance will go to City Council on September 9. Any recommendation about the restaurant lease would be on a Council agenda in October.

Mr. Mascaro noted no changes in projects impacting aviation before the Planning Commission, Design Review Board or City Council.

**12. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar**

Next meeting is on September 10.

**FUTURE AGENDA ITEMS**

Chairman Ziomek said he was disappointed that the new general manager of the Signature Air Center was not in attendance. He would like him to attend the September meeting.

Chairman Ziomek made a motion to invite Greg Gibson, General Manager of the Signature Air Center to the September meeting for a discussion. Commissioner Bergdoll seconded the motion, which carried by a vote of seven (7) to zero (0).

Commissioner Goode requested an update on planning for the Super Bowl. Mr. Mascaro said there have been no recent changes at this point.

Vice Chairman Casey asked to make a presentation about the Sky Kids event planned for November 8.

Chairman Ziomek made a motion to add a presentation by Vice Chairman Casey on the Sky Kids event. Commissioner Goode seconded the motion, which carried by a vote of seven (7) to zero (0).

**ADJOURNMENT**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:40 p.m.

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